THE CITY OF SAN DIEGO

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June 25, 1998

Mr. Lester A. Snow
Executive Director
CALFED Bay-Delta Program
1416 9th Street, Suite 1155
Sacramento, CA 95814

Dear Mr. Snow:

Subject: CALFED Bay-Delta Program, Programmatic EIR/EIS, Draft, March, 1998.

The City of San Diego relies totally on imported water in years of drought. In 1991, during the last drought of 1987-1992, San Diego County faced a potential 50 percent reduction of imported water deliveries before the rains of "Miracle March." The impact of such a severe water shortage on San Diego's population of 2.5 million supporting an economy of $80 billion in Gross Regional Product would have been devastating and felt statewide.

In San Diego, imported water is not a supplemental water supply, it is the primary source. To diminish reliance on imported water and to diversify its water supply, San Diego has been in the forefront of water conservation and wastewater reclamation for a long time. Conservation and recycling are important components of San Diego's water supply, but they will not reduce the need for more reliable and better quality imported water.

San Diego, with payments through the Metropolitan Water District of Southern California, has invested a lot more in the State Water Project (SWP) than the portion of SWP water received by San Diego over the years. Reliable and high quality SWP water supply is very important for San Diego to dilute high salinity Colorado River water. Without high quality and reliable SWP supplies, required desalting would raise economic and environmental costs of local water conservation and reclamation.

For these reasons, San Diego remains committed to the State Water Project and to CALFED Bay-Delta Program to implement a comprehensive plan that will restore the ecological health of the delta and improve the reliability and quality of water supplies for agricultural, industrial and municipal uses. Our comments on the March, 1998 Draft Programmatic EIR/EIS are as follows:

DIVERSITY BRINGS US ALL TOGETHER

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Water Allocations and Variability

The prerequisite to successful ecosystem restoration and a prosperous economy is a careful allocation of available water resources with sufficient assurances of undiminished priority and economic rights. This is also necessary for the establishment of a voluntary and successful water market.

Hydrological records are available to determine the amount of water in the system, and the duration and magnitude of future shortages. The amount of water needed to restore ecological health of the delta and riparian corridors may vary depending on hydrological cycles and the effectiveness of emerging technology for ecosystem restoration. Water in excess of reasonable environmental needs, must be made available for other beneficial uses and for voluntary water transfers. This is necessary to protect the economic prosperity and quality of life of all Californians.

We need to know the amount of water available during normal, dry and wet hydrologic conditions. We need assurances about the amount of water allocated for reasonable environmental needs, for use in areas of origin, and for delivery to SWP and Central Valley Project (CVP) contractors. With this knowledge, each party will be able to manage its water allocation for its optimum benefit and participate in voluntary water markets or transfers. This will enable San Diego and others to plan for water supply reliability by combining SWP allocations with other imported, local and reclaimed water resources.

Water Quality

An isolated conveyance facility is a critical component for separating agricultural drainage and seawater from water exports for potable use. Public health should be a prime consideration for selection of a preferred alternative. Improved SWP water quality will also be an incentive for water conservation and wastewater reclamation reducing the need for more water exports.

Water quality is also a critical element in restoring the ecological health of the delta and riparian corridors. Point source and non-point source pollution control, and salinity and temperature management may have as much, or more, impact on fisheries than the amount of delta outflow.

Ecosystem Restoration by Isolated Conveyance Facility

Use of a permeable rock and gravel dyke between the Sacramento River and a new, truly isolated conveyance facility paralleling the river may allow water diversion from the river without impacting fish migration. Use of a permeable dyke for water intake may permit discontinuation of direct diversions and direct water pumping from the Sacramento River and Delta channels to restore their ecosystem.

The amount of water diversion through a permeable dyke would be designed by building the required miles of permeable dyke necessary. Daily diversions across the permeable dyke would be controlled by controlling the difference of water surface elevation between the river and the isolated conveyance facility. The water surface elevation of the isolated conveyance facility would be controlled by in-line flow control gates.

Sediment build up along a permeable dyke between the Sacramento River and an isolated conveyance canal may be controlled by constructing the dyke only on the erosive outside of river bends. Sediment build up in the dyke may be backwashed by reversing flow and raising water level in the isolated conveyance canal through pumping around in-line flow control gates.

Water Conveyance

Water conveyance costs through the CVP and SWP canals and pump plants should be directly related to the actual capital and operational costs of conveying water from point A to point B. While daily operational storage costs may be a part of conveyance costs, costs for impounding, seasonal and dry-year storage facilities and operations should not be included. This will make non-utilized contracted CVP and SWP conveyance capacity available at competitive rates to other contractors and to non-contractors. The resulting access to available conveyance capacity is necessary for a voluntary water market to succeed.

Conveyance through natural rivers and streambeds should continue without costs when there are no significant adverse environmental impacts, or when the impacts may be mitigated.

Water Storage

Areas of water imports should carry their fair share of storage capacity recommended south of the Delta. Up to three-quarters of a million acre-feet of water may be stored for dry years in San Diego County alone. Please see the list of local groundwater and

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reservoir projects attached. The costs of storage in San Diego will be comparable to one of the most economical water storage projects, the proposed Los Baños Grandes Reservoir, identified by California Department of Water Resources Bulletin 160.

South of the Delta storage should be dispersed throughout the service area. This will diversify water supplies during all emergencies, including droughts, earthquakes and other disasters. The economy of local reservoir projects will be further enhanced by additional flood control and incidental local yield benefits. Cost effective local projects should be made a part of the CALFED Bay-Delta Program.

While SWP and CVP reservoirs should remain to be operated by Department of Water Resources (DWR) and Bureau of Reclamation (BOR) respectively, water storage rights in SWP and CVP reservoirs should be allocated to contractors in proportion to contracted capacity. This may be done without affecting flood control, environmental and other obligations. Contracted storage will allow different contractors with different needs to meet different objectives. For example, a contractor with greater need for reliability and limited local storage options may hold more water in its SWP reservoir storage from year to year to improve its potential water supply for the next drought.

Water storage costs in CVP and SWP reservoirs should be directly related to the actual capital and operational costs of storage facilities. This will make non-utilized contracted CVP and SWP storage capacity available at competitive rates to other contractors and to non-contractors within limited time periods. The resulting access to available storage capacity is necessary for a voluntary water market to succeed.

The price of CVP and SWP storage may also serve as a bench mark for conjunctive use of groundwater storage and for use of local reservoir storage necessary for optimization of California's water resources and for an efficient water market.

Levee System Integrity

Integrity of the Delta levee system is even a greater necessity with an isolated conveyance facility. On one hand, the isolated conveyance facility through reduced pumping and direct diversions from the Delta may improve the chance of survival for migrating fish and may help to restore the delta ecosystem. On the other hand, it may pose a much greater risk to this habitat in the event of a levee failure. This is because reduced flow through the Delta will increase saltwater intrusion in the event of a levee failure and flooding of a Delta island. Rehabilitation of the Delta levee system must remain an important element of a preferred alternative with an isolated conveyance facility.

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Water Use and Demand

San Diego is already using water very efficiently. In San Diego County, where many farmers are paying $600, $700, and more for an acre-foot of water, the value of agricultural production is among the highest in the state and the nation. Water is one of the most precious commodities in San Diego, and this is reflected in the efficiency of water use in San Diego by all water users.

Most water is used in the dry summer months and water demand increases even more during droughts. Water is also the most in demand for environmental and recreational needs during the summers and droughts. To satisfy these needs, the inevitable growth of population and restoration of the Delta ecosystem, will require sufficient water storage and conveyance capacities.

Water Supply

Water agencies have signed contracts with the State of California to ultimately receive 4.2 million acre-feet of water from the State Water Project (SWP) annually. The maximum annual amount of entitlement water delivered was more than 2.8 million acre-feet in 1989. In 1991, however, SWP deliveries were reduced to less than 0.6 million acre-feet during the last state-wide drought.

To date the SWP did not prove to be a reliable water source and many originally planned facilities never been completed to guaranty delivery of the contracted supplies.

The primary concern of San Diego is to assure that SWP water deliveries will be reliable and contracted water supplies will be delivered during droughts, when most needed. The CALFED Bay-Delta Program must improve the Delta and riparian environment, and result in completion of the necessary facilities for reliable water supplies. The CALFED Bay-Delta Program must also establish a framework of mutual assurances that all demands, including environmental, agricultural and municipal are met by a reliable and high quality water supply.

Water Use Efficiency and Conservation

Water conservation and wastewater reclamation are very aggressively pursued in San Diego. As a result, San Diego is spending in some cases several times more on one acre foot of conserved or recycled water than the total economic benefit (gross regional product) of an acre-foot of water used in some counties. Water use efficiencies and economic benefits must be examined and pursued in a state-wide basis.

The CALFED Bay-Delta Program should support efforts for re-evaluation and updating of current graywater regulations. In arid Southern California, about one half of residential water use is for landscape irrigation. Graywater systems could substantially reduce both potable water demand and wastewater disposal needs, saving resources in both areas. Unfortunately, graywater regulations were modeled on septic tank regulations. This made graywater use unattractive in areas with clay soils, like San Diego. Graywater may substitute potable water for irrigation regardless of soil type when a home is connected to the municipal wastewater system. This is because graywater in excess of irrigation demand may be easily disposed of in the municipal wastewater system.

Graywater regulations should also be evaluated for further updating. Biological contaminant levels of graywater should be compared with biological contaminant levels of open irrigation canals, not potable water. Further research is also appropriate to determine whether or not graywater regulations are excessive in comparison to public exposure to urban runoff and other daily risks.

Water Markets and Transfers

Water transfers and a true water market have great potential to maintain the economic competetivness of agricultural and urban California by reallocating already developed water supplies in an environmentally sensitive manner.

San Diego and many urban areas are spending in excess of $1,000 per acre-foot on new local water supplies while the gross regional product produced is as low as $400 per acre-foot of applied water in some depressed high water use agricultural areas. Water rates for irrigation are as low as $12 to $100 per acre-foot in some areas and the cost of transporting this water is generally less than $200 per acre-foot. This makes it questionable economically and environmentally to pursue new water sources in excess of $1,000 per acre-foot.

The difference in the economic value of water between different regions provides an opportunity for long term financial gain in economically depressed areas, while reducing economic and environmental costs on a state-wide basis.

The CALFED Bay-Delta Program needs to expand its analysis economic and environmental benefits of water transfers on a state-wide basis. The analysis should also extend to institutional changes necessary to protect water rights of present water users and the preservation of long term financial benefits to rural communities from water transfers.

Water Pricing

Unbundled conveyance, storage and water commodity pricing is a prerequisite for an efficient water market and for competitive investment in water infrastructure. This will facilitate water wheeling and pursuit of the most competitive and beneficial projects on a state-wide basis. Cost effective access to water transmission and water storage facilities will preserve California's economic and environmental resources.

The CALFED Bay-Delta Program should provide a framework for developing the terms and conditions for: (a) transporting project and non-project water through the CVP and SWP conveyance facilities, (b) storing project and non-project water in CVP and SWP reservoirs, and (c) assigning CVP and SWP storage capacity to SWP contractors with the ability to manage their own water in their contracted storage capacities, while continued BOR and DWR administration and operation of respective CVP and SWP reservoirs will ensure meeting of flood control obligations and other needs.

Project Costs and Allocations

The costs of facilities, eco-system restoration, operations and maintenance should be allocated in proportion to the water conveyance, storage and water diversion (use) benefit of each party.

Payment for water itself should be based on net consumptive use, and net loss to the ocean and salt sinks. Credit may be given for any beneficial return flows and incidental groundwater recharge. These credits may be offset, or additional fees may be imposed for recovering mitigation costs of water quality degradation resulting from return flows and incidental groundwater recharge.

Area of Origin and Source Counties

To protect the economic interest of source counties and to provide an economic incentive for water exports, a watershed fee may be charged by the source counties for all non-environmental use of water originating from the watershed. The watershed fee, however, should be applied as a uniform and non-discriminatory charge to all users and diverters within and outside of the source county.

The CALFED Bay-Delta Program has raised expectations for a major breakthrough in solving California's persistent water supply and environmental problems. A major breakthrough may seem daunting from time to time. Therefore, we urge you not to overlook any opportunity for even single step progress towards this goal. All big journeys started out with a single step and we feel satisfied if even just one of our comments above will assist you in accomplishing your mission.

If you need any additional information on the above, please contact me at (619) 236-6750, or Mr. Tibor Varga, Senior Civil Engineer at (619) 668-2040.

Sincerely,

LARRY GARDNER
Water Department Manager

Attachments (2)

cc: George I. Loveland, Deputy City Manager
Kent Floro, Acting Deputy Director, Water Operations
Board of Directors of City of San Diego for the San Diego County Water Authority

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